

Testimony of Ken Rosenquest,
President of the CT Association of Ambulatory Surgery Centers
in Opposition to
HB 5447 AAC the Certificate of Need Process Before the Public Health Committee
March 12, 2010

Good morning, Senator Harris, Representative Ritter and distinguished members of the Public Health Committee. My name is Ken Rosenquest and I am Vice President of Operations for Constitution Surgery Centers. I am here today as President of the Connecticut Association of Ambulatory Surgery Centers to speak in opposition to **SB 5447, An Act Concerning the Certificate of Need Process.**

The legislation before you today is a wholesale change in how the Certificate of Need process is administered in this state. Frankly, it creates a two-tiered system that penalizes the most efficient and cost effective aspect of the health care industry today.

Historically, CON was implemented in this state in an effort to control health care costs by reducing "unnecessary capital expenditures and avoiding duplication of services." According to OHCA, in the December 31, 2009 report, "There is no statistical evidence that relates to the effectiveness or cost containment outcomes as a result of CON." This is an important point to consider because the proposal before you seeks to exempt one provider from the process-the hospital-while extending it to all other providers and expanding its scope. It would seem that either there is agreement that CON is necessary for maintaining some control over our delivery system or it is not. But, a piecemeal approach as contemplated here is simply unfair and inappropriate.

Another aspect of the bill that is problematic is the proposal contained in Section 19a-634. You may recall last year's legislation proposed by OHCA that created extensive patient level data reporting requirements, without any thought for the

cost associated with implementation, or the fact the we are all moving toward electronic medical records which will assist in this type of data effort. This committee chose not to move forward with the burdensome proposal, and yet, the same concept is contained here. This type of data initiative must be well thought out and developed with input and buy-in from all parties. The penalties associated for failing to comply with this provision-which for some facilities will be impossible-are also very problematic.

Under the bill, a shift in the CON review criteria has also occurred under Section 19a-639 and it remains unclear how the "financial strength of the health care delivery system" will be interpreted by OHCA. Is job creation adding to the financial strength? Because hospitals would now be exempt from CON and able to expand services, etc. without regulatory oversight, would the existence of their services still play into OHCA's determinations with regard to surgery centers and duplication of service? These questions identify serious flaws with the proposal before you.

In the interest of time, I have tried to keep my comments brief and touch on some of the more significant problems with HB 5447. Licensure revocation penalties, a more aggressive post approval monitoring process and a broadened scope relative to CON are some of the other issues we have with this legislation.

We appreciate the opportunity to address our concerns today and would welcome the chance to work with this body on streamlining the current process and discussing ways to improve CON in this state. Thank you!